



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## **CORPORATION COMMISSION ORDERS COMPANY SELLING FOREIGN EXCHANGE ACCOUNTS**

PHOENIX – The Arizona Corporation Commission issued a temporary cease and desist order to Global Harvest Corp. (GHC), an Arizona corporation as well as Albert Tabah and David Patten of Scottsdale prohibiting them from selling foreign exchange (FOREX) accounts to the public.

According to the Order, Mr. Tabah and Mr. Patten of GHC contacted the Commission's Securities Division regarding their alleged intent to become licensed in order to offer foreign exchange currency trading accounts to the public in April of 2000. GHC expressed to the Division its intent to properly register its foreign exchange investments. After the meeting, on May 5, 2000, GHC's counsel wrote to the Division stating that GHC had not offered or sold foreign currency in Arizona and was not pursuing clients.

In June 2000, GHC ran an advertisement in the *Arizona Business Gazette*, a weekly newspaper of general circulation, based in Phoenix, Arizona. The advertisement ran for several weeks and advertised GHC's "specialized workshops to successfully self-trade FOREX and Stocks." In July 2000, an Arizona investor called the number that was advertised and talked with a representative of the Company. The investor was allegedly told that GHC was a FOREX company based in Hong Kong, and that GHC had been in business for a number of years in Asia and the United States. The investor was allegedly further encouraged to open an account and begin trading with

GHC.

The FOREX market is a cash inter-bank or inter-dealer market established in 1971 when floating exchange rates began to materialize. The simplest definition of foreign exchange is the changing of one currency to another. Participants in the market consist of five main groups: central banks, commercial banks, other financial institutions, corporate customers and brokers. Commercial brokers conduct by far the largest volume of trading. FOREX is not a "market" in the traditional sense. There is no centralized location for trading activity as there is in currency futures. Trading occurs over the telephone and through computer terminals at hundreds of locations worldwide, similar to NASDAQ.

The Arizona Corporation Commission had previously determined that FOREX trading accounts are securities and must be registered with it. However, neither the trading accounts, GHC, Mr. Tabah or Mr. Patten registered with the Commission.

Mark Sendrow, Director of the Securities Division of the Arizona Corporation Commission stated, "These currency trading accounts are regulated securities in Arizona. Investors should check to be sure both the investment product and the person touting them are registered with the Securities Division." Before investing in any account that speculates in trading foreign currencies or other commodities, always check with the Securities Division to see whether the investment and the salesman are registered or required to be registered. You can visit the Division web site at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us) or call at (602) 542-4242, or toll free at 1-877-811-3878.

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